

AN ORDINANCE 2006-02-16-0220

**AUTHORIZING THE PURCHASE OF COMMERCIAL PROPERTY INSURANCE, INCLUDING BOILER AND MACHINERY COVERAGE, FOR CITY-OWNED AND LEASED BUILDINGS, CONTENTS, AND EQUIPMENT WITH GREAT AMERICAN INSURANCE COMPANY, THROUGH MCGRIFF, SEIBELS & WILLIAMS OF TEXAS, INC., THE CITY'S BROKER OF RECORD, FOR A THREE YEAR PERIOD BEGINNING FEBRUARY 28, 2006, WITH A FIRST YEAR PREMIUM AT A COST OF \$1,264,257.00, AND A GUARANTEED PREMIUM RATE OF \$0.0666 (ROUNDED) PER \$100.00 OF TOTAL INSURED VALUE OF PROPERTY FOR THE SECOND AND THIRD YEARS.**

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**WHEREAS,** Commercial Property Insurance provides coverage for physical damage and business interruption to the City's real and personal property; and

**WHEREAS,** Boiler & Machinery Insurance provides coverage for direct and indirect damage to City property arising from a sudden and accidental breakdown to any of our boiler or machinery equipment, and provides business interruption coverage for losses caused by boiler and machinery claims; and

**WHEREAS,** the previous policies authorized by Ordinance No. 100106 will expire on February 28, 2006, so new policies are needed to continue this kind of coverage; and

**WHEREAS,** McGriff, Seibels & Williams of Texas, Inc. ("McGriff"), the City of San Antonio's ("City") broker of record, evaluated proposals received pursuant to a Request for Proposals soliciting coverage, and recommend placing the coverage with Great American Insurance Company, and its excess insurers, Columbia Casualty, Arch Specialty, and Landmark American, at a total combined cost of \$1,264,257.00 for the first year, with a guaranteed premium rate of \$0.0666 (rounded) per \$100.00 of total insured value of property for the second and third years; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager, or her designee, is hereby authorized to purchase a layered insurance program for commercial property insurance, including boiler and machinery coverage, from Great American Insurance Company, and its excess insurers, Columbia Casualty, Arch Specialty, and Landmark American, through McGriff, Seibels & Williams of Texas, Inc., the City's broker of record, at a cost of \$1,264,257.00 for the first year, with a guaranteed premium rate of \$0.0666 (rounded) per \$100.00 of total insured value of property for the second and third years, with a term beginning on February 28, 2006. This is a three year contract. Continuation of coverage for years two and three are subject to and contingent upon appropriation of funds.

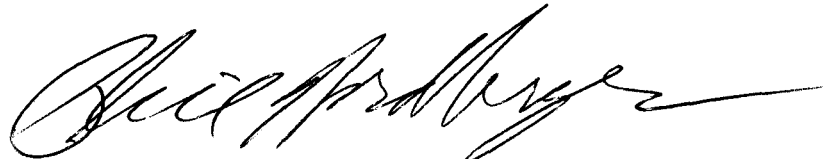
**SECTION 2.** The amount of \$1,264,257.00 is authorized to be encumbered in Fund 75-001000, Insurance Reserve Fund, in GL 5402600, entitled Insurance Premium-Excess Liability, Cost

Center 1009020001, and is authorized to be made payable to McGriff, Seibels & Williams of Texas, Inc., for property insurance coverage for a term beginning on February 28, 2006.

**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Acting Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager, or her designee, correct allocations to specific Cost Centers and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 4.** This ordinance shall take effect on February 26, 2006.

**PASSED AND APPROVED** this 16<sup>th</sup> day of February, 2006.



M A Y O R

**PHIL HARDBERGER**

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney